

# Glossary of Terms

**Accrual Basis** is the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made.

**Administrative Requirements** are set forth at 28 CFR Part 66 for State and local units of government and 28 CFR Part 70 for non-governmental organizations.

**Amusement/social event** is an informal gathering which is not mandatory for all participants to attain the necessary information. An indicator of a social/amusement event is a cash bar.

**Awarding agency** is the Federal government or the next highest authority, i.e., the State agency administering the formula award or the Federal agency administering the discretionary award.

**Awards** may include funding mechanisms, such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements.

**Block/formula awards** are awarded to the States to provide assistance to State and local units of government for programs in accordance with legislative requirements.

**Breaks** are short pauses in an ongoing informational program at trainings, meetings, conferences, or retreats. Typically, an all-day event may include one break during a morning session and one break during an afternoon session.

**Break foods** consist of cookies, sodas, and fruits or other snack items, and may be served at a training program, a meeting, or a conference.

**Budget Period** is the period for which a budget is approved for an award. The budget period may be equal to or shorter than the project period for an award, but can not be longer than the project period.

**Cash Basis** is the method of reporting revenues and expenses when cash is actually received or paid out.

**Closeout** is a process in which the awarding agency determines that all applicable administrative actions and all required work of the

award have been completed by the recipient and the awarding agency.

**Cognizant Federal agency** is the Federal agency that generally provides the most Federal financial assistance to the recipient of funds. Cognizance is assigned by the Office of Management and Budget (OMB). Cognizant agency assignments for the largest cities and counties are published in the Federal Register. The most recent publication was dated January 6, 1986.

**Conference or meeting** is a formal event involving topical matters of general interest, (i.e., matters that will contribute to improved conduct, supervision, or management of the agency's functions or activities), to Federal agency and non-Federal agency participants, rather than a routine business meeting primarily involving day-to-day agency operations and concerns. "Meeting" includes other designations, such as a conference, congress, convention, seminar, symposium, training for grantees or contractors, and workshop. See 5 USC 4110 (1994).

**Consultant** is an individual who provides professional advice or services.

**Continental breakfast** means a light breakfast that may include selection of coffees, teas, juices, fruits, and assorted pastries, and is allowable provided several hours of substantive material directly follows the continental breakfast. Grant recipients are reminded that the least expensive of the available selections should be chosen.

**Contracts** are entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and non-profit organizations. With the exception of a few justified sole-source situations, contracts are awarded via competitive processes to procure a good or service.

**Cooperative agreements** are awarded to States, units of local government, or private organizations at the discretion of the awarding agency. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

**Discretionary awards** are made to States, units of local government, or private organizations at the discretion of the awarding agency. Most discretionary awards are competitive in nature in that there are limited funds available and a large number of potential recipients.

**Domestic travel** includes travel within and between Canada and the United States and its territories and possessions.

**Equipment** is tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient/subrecipient may use its own definition of equipment provided that such definition would at least include all equipment defined above.

**Federal contractor** is a person or entity that contracts with the Federal government to provide supplies, services, or experimental, developmental, or research work. Entities may include commercial organizations, educational institutions, construction and architect-engineer companies, State and local governments, and non-profit organizations. See 48 CFR 31.103-105, 31.107-108 (1995).

**Federal employees** are those persons employed in or under an agency of the United States Federal Government or the District of Columbia. See 5 USC 4101 (1994).

**Federal grantee** means the component of a State, local, or federally recognized Indian tribal government, educational institution, hospital, or a for-profit or non-profit organization which is responsible for the performance or

administration of all or some part of a federal award. See OMB Circular No. A-87, Attachment A; OMB Circular No. A-110, Attachment A.

**Focus group** means a gathering of Federal government employees to discuss results and improvements of programs in the field. The focus group should follow a prepared agenda, be led by an expert in the subject matter, and serve to educate the Federal employees.

**Food and/or beverages** retain their common meanings. Food or beverages are considered in the context of formal meals and in the context of refreshments served at short, intermittent breaks during an activity. Beverages do not include alcoholic drinks.

**Foreign travel** includes any travel outside of Canada and the United States and its territories and possessions. For an organization located in a foreign country, this means travel outside that country.

**Formal agenda** provides a list of all activities that shall occur during the event, using an hour-by-hour time line. It must specifically include the times during the event when food and beverages will be provided.

**Grants** are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or on the basis of a formula. Grants are used to support a public purpose.

**High risk** is a determination made by the awarding agency of a recipient's ability to financially administer Federal project funds. Additional reporting requirements are imposed on high risk recipients.

**Incidental** means relating to a formal event where full participation by participants mandates the provision of food and beverages.

**Interagency agreements** and purchase of service arrangements are usually entered into by two governmental units or agencies. Such funding arrangements are negotiated by the entities involved.

**Match** is the recipient share of the project costs. Match may either be "in-kind" or "cash." In-kind match includes the value of donated services. Cash match includes actual cash spent by the recipient and must have a cost relationship to the Federal award that is being matched. (Example: Match on administrative costs should be other administrative costs, not other matching on program costs).

**Non-expendable personal property** includes tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient may use its own definition of non-expendable personal property provided that the definition would at least include all tangible personal property as defined below.

**Obligation** means a legal liability to pay under a grant, subgrant, and/or contract determinable sums for services or goods incurred during the grant period.

**Pass-through** is an obligation on the part of the States to make funds available to units of local governments, combinations of local units, or other specified groups or organizations.

**Personal property** means property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence, such as patents, inventions, and copyrights).

**Preagreement costs** are defined as those costs which are considered necessary to the project but occur prior to the starting date of the award period.

**Prior approval** means written approval by the authorized official (the next highest authority except for sole source) evidencing consent prior to a budgetary or programmatic change in the award.

**Program income** means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and which are directly related to the goals and objectives of the project. Determinations of “direct result” will be made by the awarding agency for discretionary grants and by the State for block/formula subawards. Fines/penalties are not considered program income. Program income may be used only for allowable program expenses.

**Project Period** is the period for which implementation of a project is authorized. The project period may be equal to or longer than the budget period for an award, but can not be shorter than the budget period.

**Purchase of evidence (P/E)** is the purchase of evidence and/or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.

**Purchase of services (P/S)** includes travel or transportation of a non-Federal officer or an informant; the lease of an apartment, business front, luxury-type automobiles, aircraft or boat, or similar effects to create or establish the appearance of affluence; and/or meals, beverages, entertainment, and similar expenses (including buy money and flash rolls, etc.) for undercover purposes, within reasonable limits.

**Purchase of specific information (P/I)** includes the payment of monies to an informant for specific information. All other informant expenses would be classified under P/S and charged accordingly.

**Real property** means land, land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.

**Reasonable** means those costs which a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. Costs to consider when making judgements about reasonableness include the cost of food and beverage, total cost of the event, and costs incurred relative to costs in the geographical area. The exception to this definition is lodging costs for events of 30 or more participants, when the event is funded with an OJP award. For these events, reasonable is defined as the Federal per diem rate for lodging.

**Reception** means an informal gathering which is not mandatory for all event participants to obtain necessary information. Indicators of a reception include a cash bar, inadequate seating for the entire group, food items from a reception menu (such as finger foods), and a longer break (than utilized throughout the day) between the substantive meetings and the reception. Receptions are expressly prohibited and are considered to be an unallowable cost with Federal funds.

**Recipient** is an individual and/or organization that receives Federal financial assistance directly from the Federal agency.

**Social event** is any event with alcohol beverages served, available, or present.

**Stipend** is an allowance for living expenses. Examples of these expenses include, but are not limited to, rent, utilities, incidentals, etc.

**Subaward** is an award of financial assistance in the form of money to an eligible subrecipient or a procurement contract made under an award by a recipient.

**Subrecipient** is an individual and/or organization that receives Federal financial assistance

from the direct recipient of Federal funds. This may include entities receiving funds as a result of block or formula awards.

**Supplanting** is to deliberately reduce State or local funds because of the existence of Federal funds. For example, when State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose, the State replaces its State funds with Federal funds, thereby reducing the total amount available for the stated purpose.

**Working dinner** means a formal and mandatory dinner necessary for all participants to have full participation in the conference or event. A working dinner must include a formal agenda including a program or speakers that will impart necessary information important for full understanding of the subject matter of the conference. There should be several hours of informative sessions providing substantive information scheduled both before and after a

working dinner. Indicators of a working dinner include seating for all participants. A cash bar is expressly prohibited.

**Working lunch** is a formal and mandatory lunch necessary for all participants to have full participation in the conference or event. A working lunch must include a formal agenda including a program or speakers that will impart necessary information important for full understanding of the subject matter of the conference. There should be several hours of informative sessions providing substantive information scheduled both before and after a working lunch (exhibits are not included). Indicators of a working lunch include seating for all participants. A cash bar is expressly prohibited.

**Work related event** is a conference or meeting involving a topical matter of interest within the purview of the agency's mission and function.

**NOTE:**